

I. Economic Element

One goal of the Master Plan is to improve the ratable base for Cherry Hill Township. This element of the Master Plan shall indicate a direction to assist in that effort over the next six years. First, we need to answer the basic questions. What do we have? Where are we now? And where are we going?

What Do We Have

From a land use point of view, we can determine the amount of building square footage in the Township. Cherry Hill has:

4,503,645 ± square feet of OFFICE SPACE, and
3,400,000 ± square feet of RETAIL SPACE, and
3,000,000 ± square feet of INDUSTRIAL/FLEX SPACE.

The office spaces - a major percentage of non-residential land within the Township. Of the four and a half million square feet of space only 872,000 square feet represent Class A office space such as the Commerce Center, Liberty View, Woodcrest Pavilion etc. In fact, no new Class A space has been constructed since 1990. The office market place may be ready for new space. Garden State Park is proposing 1,000,000 square feet of Class A space, which represents an infusion of new office opportunity for the community.

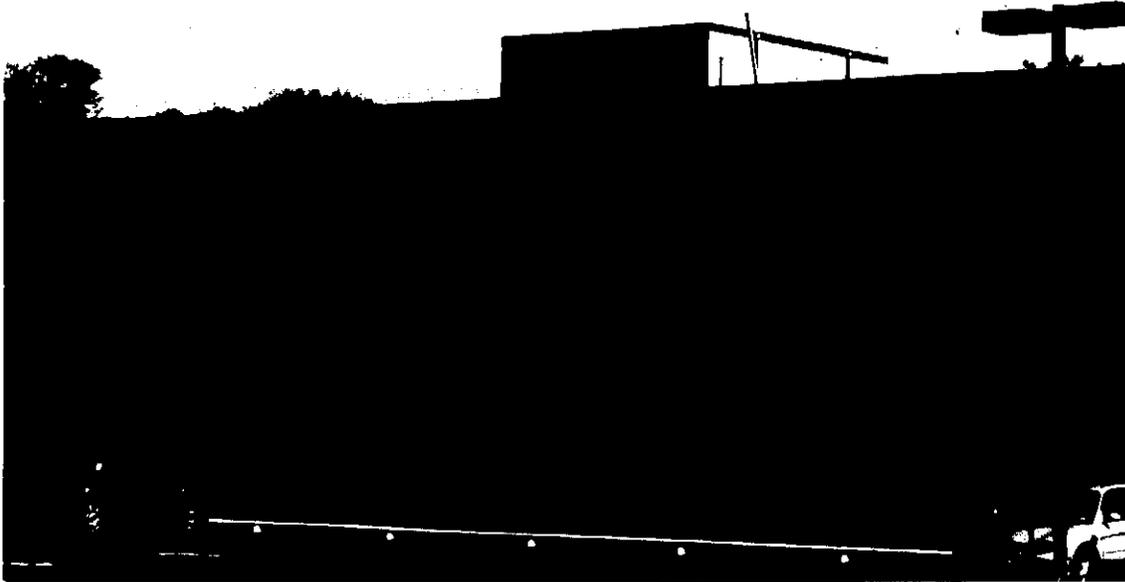
Class B office space consists of approximately 1,277,000 square feet including Cherry Hill Plaza, 1415 Route 70, Two and Six Executive Campus, 220 Route 38, 1930 Marlton Pike, etc.

Retail Space - continues to reinvent itself, although there are improvements necessary in this sector. Major retailers in Cherry Hill include: Macy's, Strawbridges, Pennys, Kohls, Target, Home Depot, Staples, ShopRite, Old Navy; auto dealers- Ford, Mercedes, Volvo, Saab, Toyota, Buick, Chevrolet; hotels- Hilton, Clarion, Holiday Inn etc. Regardless of the current status, new retailers are looking to locate in Cherry Hill. Wal-Mart, Lowes, Wegmans etc are looking for opportunities here today. The half vacant Bradlees Shopping Center on Route 38 and Woodcrest Center on Route 561 are two possible opportunities. An additional 500,000 square feet are proposed at Garden State Park. Consequently, it is anticipated that the available retail space in the Township will expand by another 15 percent and the office market may expand by twenty percent.

Industrial/Flex Space - continues to provide start up opportunities for business located primarily in the Cherry Hill Industrial Park, Old Cuthbert Road, and Springdale Road. Numerous small service companies have found reasonable rents and larger spaces for small-scale manufacturing. One use frequently found in the Industrial Parks is recreation, which is recommended as a permitted use within the Industrial Zone.

The industrial parks are well suited to accommodate some recreation facilities, such as indoor batting cages, indoor tennis clubs and fitness

centers. The potential for expansion of the Industrial Park land areas is limited due to land availability. The current under-utilization of this land could permit an additional twenty percent growth within the current zoning configuration.



Puratos Corporation, Old Cuthbert Boulevard

Where Are We Now

What is the trade area for our business community?

Cherry Hill is an exceptional community with a regional market. The marketplace for customers of the Cherry Hill Mall includes communities with a travel distance of more than ten miles. Philadelphia, Camden, Moorestown, Marlton, Voorhees, Maple Shade, Pennsauken, Haddonfield, Collingswood, Medford, Audubon, Merchantville and Riverside customers all patronize the Cherry Hill Mall. The Philadelphia customers include Center City, Southwest Philadelphia and Northeast Philadelphia, all of which are within a reasonable 15 to 20 minute drive of the mall. The PATCO High Speed Line and potentially the Philadelphia to Atlantic City train service may assist in expanding the marketplace in the future.

Retail daytime employment in Cherry Hill.

Currently, Cherry Hill is the second largest employer in Camden County in excess of 55,000 jobs, representing nearly 21 percent of all jobs in Camden County. With new office opportunities this figure is expected to increase by 25 percent in keeping with our office and retail expansion.

How much additional retail space can Cherry Hill absorb without diluting the value of the retail businesses in town now?

The retail marketplace is always changing. Drugstore companies decide they want their stores to be free standing and not in retail centers. This corporate policy decision in the market place makes new retail possibilities. Lowe's Home Centers decide they want to locate in reasonable proximity to a Home Depot. The consequence of these economic decisions, made in Corporate Board Rooms, affects our retail mix. Small commercial areas are purchased and transformed into renewed commercial ventures. It is the ebb and flow of retail land use.

The Cherry Hill Mall was recently sold to the Pennsylvania Real Estate Investment Trust and was the first enclosed mall on the east coast. There is room for one more anchor store at the Cherry Hill Mall, and perhaps some additional in-line stores. The Cherry Hill Mall is anchored by J.C. Penney, Strawbridge's and Macy's.

The Moorestown Mall is anchored by Sears, Boscov's, Strawbridge's and the recently added Lord and Taylor. In 1998, the Hillview Shopping Center, containing 350,000 square feet was constructed. Situated across Route 38 from the Cherry Hill Mall, Target and Kohl's selected Cherry Hill as their first South Jersey sites. Ellisburg Shopping Center and Barclay Farms Shopping Center enjoyed multi million dollar renovations in the late 90's. The Plaza at Cherry Hill, adjacent to the mall to the east has new tenants including L.A. Fitness, the Chubb Institute, Red Lobster, Kensington Furniture, Raymoor and Flannigan, and recently Ashley Furniture.

In December of 1998, the 400,000 square foot Garden State Pavilion Shopping Center opened. Major tenants are Home Depot, Staples, Old Navy, ShopRite and others. Lowe's movie theatre and TGI Fridays are also recent additions to the Cherry Hill retail market place.

The retail market in surrounding Cherry Hill is part of the regional influence effecting retail today. Cherry Hill is no longer the epi-center of retail activity. The 3m's - Moorestown, Marlton and Mt. Laurel are capturing and duplicating retail activity that Cherry Hill has had for years. The competition for new retail is fierce. Cherry Hill must actively reinvent itself.

Many major retailers already have a presence in Cherry Hill (See Exhibit I2). The retailers that do not have a location within our borders have major competitors here. For example, Lowe's is not in Cherry Hill but Home Depot is; Wal-Mart is not in Cherry Hill, but Target is, etc. Regionally, Wal-Mart is in Marlton and Lowe's is in Maple Shade and Lawnside.

There are three exceptions to this retail mix. They are major retailers found at King of Prussia and Center City Philadelphia, but not yet on the South Jersey locations. They are Nordstrom's, Sacks Fifth Avenue, and Bloomingdale's. Although these major anchors have been requested to locate here, they have resisted largely due to income demographics of the region. Clearly, if they had a strong desire to locate here, Pennsylvania Real Estate Investment Trust (PREIT) would find a way to accommodate

them either in Cherry Hill or Moorestown. Whether these retailers ever decide to locate in Southern New Jersey is not essential, but a reflection of this regions market. It is clear this regions market is strong and vibrant within our demographics, but not as strong a regional draw for the stores mentioned above.

Garden State Park - the former Cherry Hill Race Track is conceptually designed as a new downtown for Cherry Hill. The site is 220 acres located within ten minutes of Philadelphia. This opportunity is similar to the City Line Avenue developments in relationship to Center City Philadelphia. The plans for Garden State Park call for one million square feet of new office, five hundred thousand square feet of new retail and 1,192 new housing units with nearly half of the units dedicated to senior housing.

These uses along with a new hotel, structured parking, extended train station, health club, Fire House/Emergency, potential school etc. have the potential to infuse new energy, new life and new ratables into the community. Anticipated assessments may make this land the highest assessments in the Township.

Cherry Hill Demographics

Cherry Hill Township ranks second in Median Household Income with \$69,421 per household in Camden County. Haddonfield ranked first with \$86,872 and Voorhees third with \$68,402. Each of these communities is adjacent to Cherry Hill, Haddonfield on the southwest side of the Township border, and Voorhees on the southeast side. Haddonfield has limited land for new retail. Garden State Park may be the beneficiary of its proximity to Haddonfield, Collingswood, Audubon, Pennsauken and Merchantville.

The total population of Camden County is 508,932 representing 185,744 households. The number of people in families is 419,639 with a population per family of 3.23 persons (with Cherry Hill family income approaching \$80,766 dollars per household and 19,399 families represent \$1,566,779,600 total dollars of income). If disposable/discretionary income is a percentage of gross income then the following projection is possible for just Cherry Hill residents:

1% = \$ 15,667,796
5% = \$ 78,338,980
10% = \$156,677,960

Looking at Camden County with a median family income of \$57,429 and 129,844 families represents \$7,456,811,000, again using the same logic:

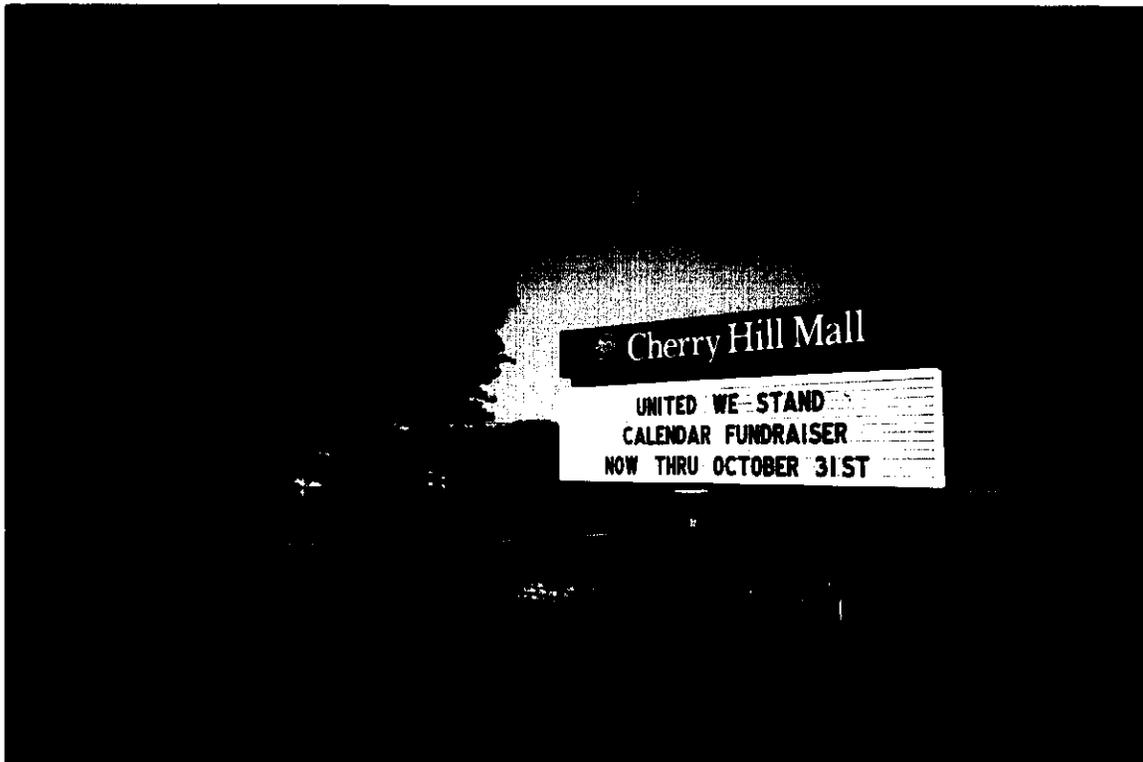
1% = \$ 74,568,110
2% = \$372,840,500
10% = \$745,681,100

With economic multiplier affects, Camden County has sufficient income to support a wide range of activities. These numbers reflect consumer's

disposable income as a percentage of the total family income. If 30 percent is used for housing, twenty percent for taxes, 25 percent for food and essentials. The disposable funds could be even larger. When one adds Burlington County (the 3 m's) to this regional review the numbers are staggering.

Cherry Hill Employment

Cherry Hill Township Companies employ over 55,503 persons out of a total Camden County work force of 255,000 jobs or approximately 21 percent of the entire County work force!⁴ The office parks, industrial parks, retail centers all contribute to the job opportunities in the Township. Cherry Hill remains the largest suburban employer; the City of Camden has 60,000 jobs. Cherry Hill's largest employment sectors are health care, government and retail.



The Cherry Hill Mall has been a major employer for nearly forty years

⁴ U.S. Census 2000

Where Are We Going

The Office Market Today And The Future

Of the twenty-five largest private sector employers in Camden County, Cherry Hill is the home of 44 percent of those companies. Banking, insurance, healthcare, high technology, and publishing have a strong presence as well as multi-tenant offices and shopping centers which create the spaces for these businesses to grow. The Township is home to some of the largest international companies in southern New Jersey, including the headquarters of Subaru of America, Pinnacle Foods Corporation and Mellita of North America. Cherry Hill seeks to continue to attract major national corporations.

The economic revitalization of the offices in the Executive Campus deserves a special note. The Campus was built in the late 1970's as a state of the art complex. Decline occurred through the 1980's with some properties close to foreclosure and bankruptcies. The Township's Economic Development coordinator brought in new developers, had meetings with the owners and arranged sales to infuse new life into "tired real estate". Brandywine Realty Trust, Matrix, Needleman Management, Keystone Real Estate and others purchased the office buildings, invested millions of dollars in improvements and now have successful buildings. The major tenants are Cooper Health Systems, Stone & Webster, Lockheed Martin, Pinnacle Foods Corporation and NJDOT.



Three Executive Campus

For the future, Cherry Hill must continue to focus on the traits that attract, maintain and encourage office development. To do this successfully requires an integration of four major factors.

1. Attract Good Landlords

The community attracted Brandywine Investment, Berwyn Office Properties and Liberty Trust, to reinvest in office real estate in Cherry Hill. A reliable landlord with the ability to reinvest is a key ingredient to a successful office development. Landlords are the town's windows to the marketplace. They promote their buildings and the Township in their search for local, regional and national tenants.

2. Provide a Good Labor Market

Every office requires a variety of employees from president to janitor, including administrators, managers, support staff, assistants, etc. Management cannot exist without support. Cherry Hill has ready access to a great labor pool. Potential employment may come from Cherry Hill, Collingswood, Pennsauken, Maple Shade, Camden, Marlton, Merchantville, etc. all with close proximity.

3. Provide Good Transportation

Transportation is a critical factor in continuing to grow. Bus routes, train availability, and maintaining free flow of traffic on our arterial highways are key to employers. The network of public transportation is getting better throughout Cherry Hill.

4. Stable Tax Rate

Landlords and tenants need comfort that their rents will not be severely impacted by large tax increases. This issue is particularly sensitive because Pennsylvania tax rates are usually lower than New Jersey. Cherry Hill may need to implement some innovative tax structures to attract new national tenants and maintain one regional reputation.

These are the characteristics of a strong, well supported, office economy. Of course, these recommendations could apply generally to any rental real estate. One additional attribute that currently is an essential part of any new upgrades to office buildings, is connectivity. Fiber optic communication lines are, by most standards, a necessity to growing businesses. Cherry Hill needs to assist the businesses by getting fiber optic access to our business customers as soon as reasonable, feasible, and in a manner that is cost effective.

Employment

The largest employers within Cherry Hill today are; Lockheed Martin, Kennedy Memorial Hospital, Gannett Satellite Network, Accu Staff, A.H.

Robbins Company, Macy's Northeast, Subaru of America, Stone and Webster, and Accumark, Inc.

Tax Rate

The tax rate in Cherry Hill is \$3.790 per \$100 valuation. The municipal share of that tax is \$.328 per \$100 of valuation. By example, a property valued at \$200,000 would pay \$7,580 in taxes, even though Cherry Hill Township would only receive \$656.00 of the total bill. Approximately fifty percent would go to the Cherry Hill School System.

Cherry Hill Economic Development Council

CHEDCO acts as a catalyst for business growth within the community and the region. The council and sub-committees meet with a variety of business groups to advance the state of business in the community and provide a forum for communication. CHEDCO works closely with the Cherry Hill Chamber of Commerce as well as the South Jersey Chamber of Commerce to support regional initiatives. CHEDCO members are largely from the business community, supported by the Township staff. The programs and information shared represents a quality exchange of information that assists all businesses in the marketplace.

Vacant Land

There are very few parcels of undeveloped land in Cherry Hill zoned for business. The Foulke Tract of 13 acres on Route 70 and the Race Track are the remaining two. Once these sites are developed, virtually all future development in the commercial/office sector will be redevelopment. In fact, the Garden State Park is largely a redevelopment project. Redevelopment traditionally is more costly and time consuming. Cherry Hill Township will need to pursue creative means to encourage redevelopment as a positive step in the continual metamorphosis of the retail/office landscape.

Business Recommendations

Get Connected - Encourage and assist business, to install fiber optics in the major business centers as a way of maintaining and renewing business vitality.

Improve traffic and circulation in certain areas that assist businesses - specifically, Route 70, as an arterial roadway through the community requires some adjustments to maintain a consistent flow of traffic. The Township, in cooperation with the NJDOT should install proper stacking lanes at selected locations. This safety recommendation is integral to the success of businesses along the highway whose customers have the inconvenience as well as angst about getting into and out of certain locations. The Route 70 landscaped median, is not proposed to be eliminated. See the traffic and circulation section for more specifics.

Aesthetics - Clearly new office and commercial buildings require fresh quality designs and lasting materials. One Bala Plaza on City Line Avenue is a good example.

Create Redevelopment - Areas where long-term development has been delayed, or vacancies have persisted may be candidates for a redevelopment designation.

- Route 70 at Race Track Circle, Haddonfield Road to Chapel Avenue, to the railroad tracks. This area should be designated as a redevelopment area to assist the businesses on Route 70 and Haddonfield Road. The area includes the former Race Track and encourages new activity along Haddonfield Road.
- Woodcrest Shopping Center has had vacancies for extended periods of time and is in need of redevelopment.
- Route 38 from the Pennsauken border to Haddonfield Road. Traffic congestion, small users and various real estate improvements would qualify this area as a redevelopment area.
- The former Langston Industrial site off Burnt Mill Road, with vacant industrial buildings located on a large tract of land and proximity to the New Jersey Turnpike and Interstate Route 295, provides an ideal opportunity for redevelopment.

All areas recommended have a 'tired' experience that needs the infusion of new energy similar to the success stories recounted in the office section. The recommendation for a redevelopment area is to assist the area and the processing of improvements.

Designating a property or area for redevelopment has several advantages to both the developer and the Township. Under the state regulated redevelopment program, the Township has the authority of condemnation. In addition, the Township can establish a payment-in-lieu of tax program (PILOT) that provides assistance to the redeveloper. Lastly, under the Redevelopment Program, the developer may be eligible for State Brownfields Funding.

Marketing

It is recommended that Cherry Hill establish a marketing strategy to attract major corporate users. It has been proven that major corporate office tenants create a market that also benefits adjacent smaller office and retail users. Cherry Hill needs to determine what types of tenants it wishes to attract and market the attributes of the business communities. Advantages such as proximity to transportation, a large employment base and proximity to a major city are all attributes that major corporate users look for when determining a new location. With the coordinated effort of CHEDCO, the Rotary and Township officials, redevelopment and new development opportunities can be achieved.

EXHIBIT 11
Class A Office Space Distribution

CLASS A
OFFICE SPACE

Ellisburg Plaza:	48,000	
Chapel Tower Medical:	10,000	
Commerce Center:	41,459	
	41,455	
	61,153	
900 Dudley Avenue	16,000	
1913 Greentree	7,000	
53 Colwick	31,000	
Liberty View	121,737	
Cooper Medical	16,400	
Woodland Falls 4	76,352	
1	60,604	
3	78,483	
1763 Marlton Pike	12,000	
Woodcrest Pavilion	49,927	
535 Route 38 (Cherry Tree Corp. Ctr)	136,000	
Commerce Atrium	65,400	
Subaru Corporate Center		
		872,570 Class A space

*No class A office space constructed after 1990
 Most built in early to mid 1980's

Cherry Hill Township
Profile of Selected Economic Characteristics
Census 2000

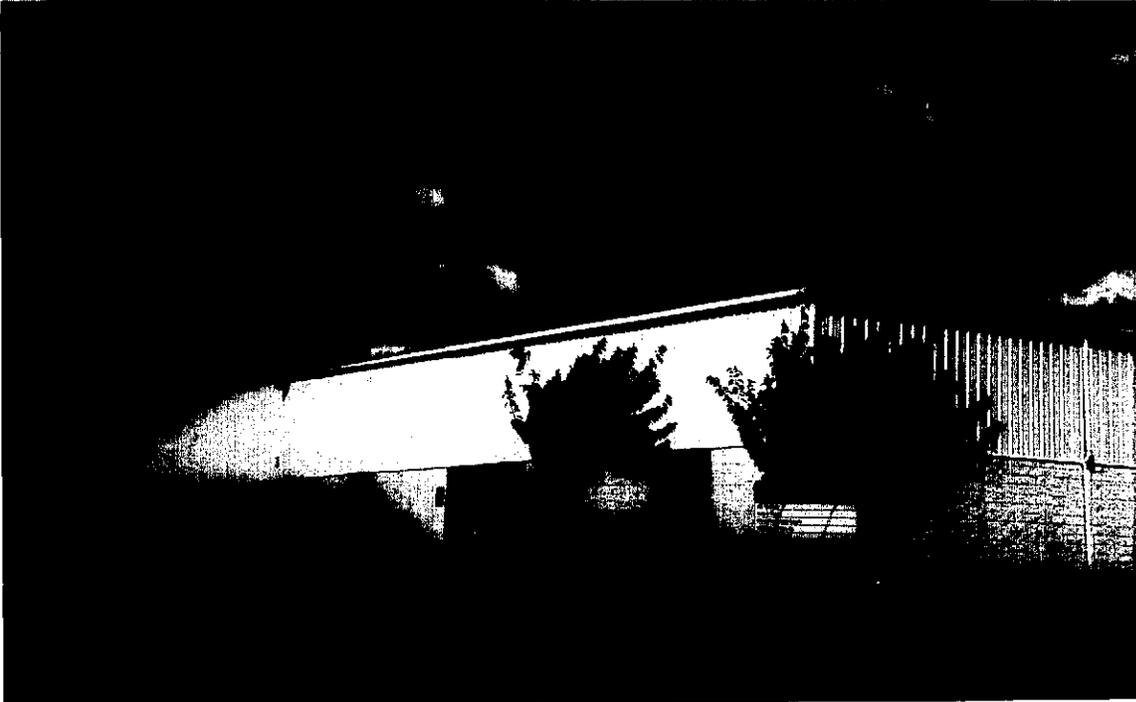
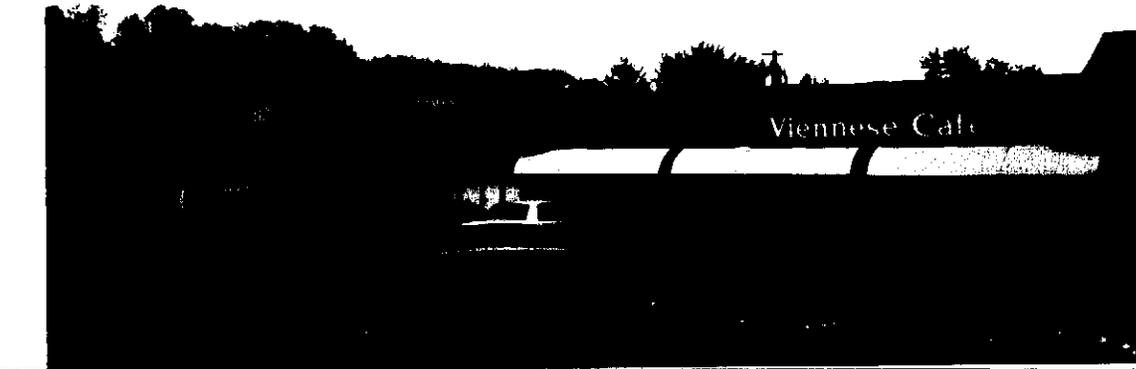
Subject	Number	Percent
EMPLOYMENT STATUS		
Population 16 years and over	55,503	100
In labor force	35,557	64.1
Civilian labor force	35,499	64
Employed	34,197	61.6
Unemployed	1,302	2.3
Percent of civilian labor force	3.7	(X)
Armed Forces	58	0.1
Not in labor force	19,946	35.9
Females 16 years and over		
Females 16 years and over	29,446	100
In labor force	16,507	56.1
Civilian labor force	16,507	56.1
Employed	15,842	53.8
Own children under 6 years		
Own children under 6 years	4,520	100
All parents in family in labor force	2,476	54.8
COMMUTING TO WORK		
Workers 16 years and over	33,758	100
Car, truck, or van -- drove alone	26,931	79.8
Car, truck, or van -- carpooled	2,636	7.8
Public transportation (including taxicab)	2,316	6.9
Walked	425	1.3
Other means	142	0.4
Worked at home	1,308	3.9
Mean travel time to work (minutes)	27.4	(X)
Employed civilian population 16 years and over		
Employed civilian population 16 years and over	34,197	100
OCCUPATION		
Management, professional, and related occupations	18,091	52.9
Service occupations	3,249	9.5
Sales and office occupations	9,710	28.4
Farming, fishing, and forestry occupations	23	0.1
Construction, extraction, and maintenance occupations	1,259	3.7
Production, transportation, and material moving occupations	1,865	5.5
INDUSTRY		
Agriculture, forestry, fishing and hunting, and mining	7	0
Construction	1,220	3.6
Manufacturing	3,040	8.9
Wholesale trade	1,438	4.2
Retail trade	4,143	12.1
Transportation and warehousing, and utilities	1,093	3.2
Information	999	2.9
Finance, insurance, real estate, and rental and leasing	3,455	10.1
Professional, scientific, management, administrative, and wa	5,061	14.8
Educational, health and social services	8,673	25.4

Cherry Hill Township
Profile of Selected Economic Characteristics
Census 2000

Arts, entertainment, recreation, accommodation and food ser	2,185	6.4
Other services (except public administration)	1,409	4.1
Public administration	1,474	4.3
CLASS OF WORKER		
Private wage and salary workers	27,043	79.1
Government workers	4,679	13.7
Self-employed workers in own not incorporated business	2,383	7
Unpaid family workers	92	0.3
INCOME IN 1999		
Households	26,181	100
Less than \$10,000	1,083	4.1
\$10,000 to \$14,999	1,054	4
\$15,000 to \$24,999	1,887	7.2
\$25,000 to \$34,999	2,077	7.9
\$35,000 to \$49,999	3,016	11.5
\$50,000 to \$74,999	5,195	19.8
\$75,000 to \$99,999	4,158	15.9
\$100,000 to \$149,999	4,529	17.3
\$150,000 to \$199,999	1,420	5.4
\$200,000 or more	1,762	6.7
Median household income (dollars)	69,421	(X)
With earnings	21,285	81.3
Mean earnings (dollars)	86,518	(X)
With Social Security income	8,124	31
Mean Social Security income (dollars)	13,382	(X)
With Supplemental Security Income	617	2.4
Mean Supplemental Security Income (dollars)	7,185	(X)
With public assistance income	452	1.7
Mean public assistance income (dollars)	3,399	(X)
With retirement income	5,201	19.9
Mean retirement income (dollars)	18,600	(X)
Families		
Families	19,372	100
Less than \$10,000	357	1.8
\$10,000 to \$14,999	224	1.2
\$15,000 to \$24,999	791	4.1
\$25,000 to \$34,999	1,189	6.1
\$35,000 to \$49,999	2,096	10.8
\$50,000 to \$74,999	4,172	21.5
\$75,000 to \$99,999	3,637	18.8
\$100,000 to \$149,999	4,016	20.7
\$150,000 to \$199,999	1,277	6.6
\$200,000 or more	1,613	8.3
Median family income (dollars)	80,766	(X)
Per capita income (dollars)	32,658	(X)
Median earnings (dollars):		
Male full-time, year-round workers	54,894	(X)

**Cherry Hill Township
Profile of Selected Economic Characteristics
Census 2000**

Female full-time, year-round workers	37,282	(X)
POVERTY STATUS IN 1999 (below poverty level)		
Families	481	(X)
Percent below poverty level	(X)	2.5
With related children under 18 years	291	(X)
Percent below poverty level	(X)	3.3
With related children under 5 years	119	(X)
Percent below poverty level	(X)	3.9
Families with female householder, no husband pr		
 Percent below poverty level	194	(X)
Percent below poverty level	(X)	8.7
With related children under 18 years	134	(X)
Percent below poverty level	(X)	12.2
With related children under 5 years	48	(X)
Percent below poverty level	(X)	18.9
Individuals		
 Percent below poverty level	2,725	(X)
Percent below poverty level	(X)	4
18 years and over	2,047	(X)
Percent below poverty level	(X)	3.9
65 years and over	628	(X)
Percent below poverty level	(X)	5.4
Related children under 18 years	607	(X)
Percent below poverty level	(X)	3.7
Related children 5 to 17 years	443	(X)
Percent below poverty level	(X)	3.6
Unrelated individuals 15 years and over	1,220	(X)
Percent below poverty level	(X)	13.8
(X) Not applicable.		



A variety of businesses add to Cherry Hill's economic vitality